



# MAFL Funds : Season 2007

Where Statistics Meets Leather and Grass

30 September 2007

Season 2007, Number 26.1 (Grand Final)

In this Edition of the newsletter:

- Results of wager and tips for the Grand Final
- Tipping Year in Review
- What Now?

## Simply The Best



**Geelong**  
v  
**Port Adelaide**  
MCG  
29<sup>th</sup> September, 2:30pm

**Head-to-Head**  
Gee \$1.38 / PA \$2.90  
(Geelong 66-73%)

**Line Betting**  
Geelong -17½ pts

**Heritage Fund Bet**  
**LOST 11.24% (9.09%)**

**Alpha Fund Bet**  
-

**Beta Fund Bet**  
-

**Line Fund Bet**  
-

**Geelong** 24.19 (163)  
*def.*

**Pt Adelaide** 6.8 (44)

**Line Betting**  
Geelong by 101½ pts



Okay, hands up: who told the Cats that the Grand Final was to be played as a hybrid of 20/20 cricket on Saturday? So frenetic and point-producing was their opening term and so good was their defence that it took Port Adelaide until the dying minutes of the final term just to overtake the Cats' score at the end of the first.

Here's just a few of the Grand Final records I can come up with against which to assess the enormity of Geelong's dominance:

<i>Record</i>	<i>Geelong Performance</i>	<i>Previous / Current Best</i>
<i>Margin of victory</i>	119 points (1 <sup>st</sup> )	Hawthorn: 96 v Melbourne in 1988
<i>Lead at three-quarter time</i>	90 points (1 <sup>st</sup> )	Hawthorn: 87 v Essendon in 1983
<i>Number of scoring shots in the first 3 quarters</i>	35 shots (equal 1 <sup>st</sup> )	Essendon: 35 v Melbourne in 1946
<i>Numbers of goals scored in the first 3 quarters</i>	18 (equal 1 <sup>st</sup> )	Hawthorn: 18 v Geelong in 1989
<i>Proportion of points scored</i>	78.7% (2 <sup>nd</sup> )	Melbourne: 81.6% (62-14) v Collingwood in 1960
<i>Number of scoring shots in the first quarter</i>	12 shots (equal 2 <sup>nd</sup> )	Essendon: 13 v Carlton in 1993 (5 other instances of 12 scoring shots)
<i>Half-time lead</i>	52 points (3 <sup>rd</sup> )	Hawthorn: 57 v Essendon in 1983 Melbourne: 57 v Essendon in 1941
<i>Points scored</i>	163 points (3 <sup>rd</sup> )	Carlton: 177 v Richmond in 1972 Essendon: 170 v Hawthorn in 1985
<i>Goals scored</i>	24 goals (3 <sup>rd</sup> )	Carlton: 28 v Richmond in 1972 Essendon: 26 v Hawthorn in 1985
<i>Points scored in first 3 quarters</i>	125 points (3 <sup>rd</sup> )	Carlton: 159 v Richmond in 1972 Essendon: 135 v Melbourne in 1946
<i>Number of scoring shots</i>	43 shots (equal 3 <sup>rd</sup> )	North Melb: 46 v Collingwood in 1977 Richmond: 44 v Collingwood in 1980 West Coast: 43 v Geelong in 1994 Melbourne: 43 v Collingwood in 1939

Congratulations to Geelong and to Geelong supporters. The other 15 teams are going to have to work very hard in the off-season if any of the MAFL head-to-head Funds are to find reason to wager on the Cats in 2008.

## A Season To Remember

Not a particularly enjoyable Granny for Investors as our 11¼% wager on Port looked gone from early in the 2<sup>nd</sup> term.

Still, for most, the damage isn't terminal:

### Result of Grand Final Wager

<b>Heritage Fund</b>	<b>ROI (100.0%)</b>		
	<b>Bet*</b>	<b>Price</b>	<b>Net Return*</b>
<b>Port Adelaide</b>	11.24%	\$2.90	(11.2%)
<b>Total</b>	<b>11.2%</b>		<b>(11.2%)</b>

Lost by 119 pts

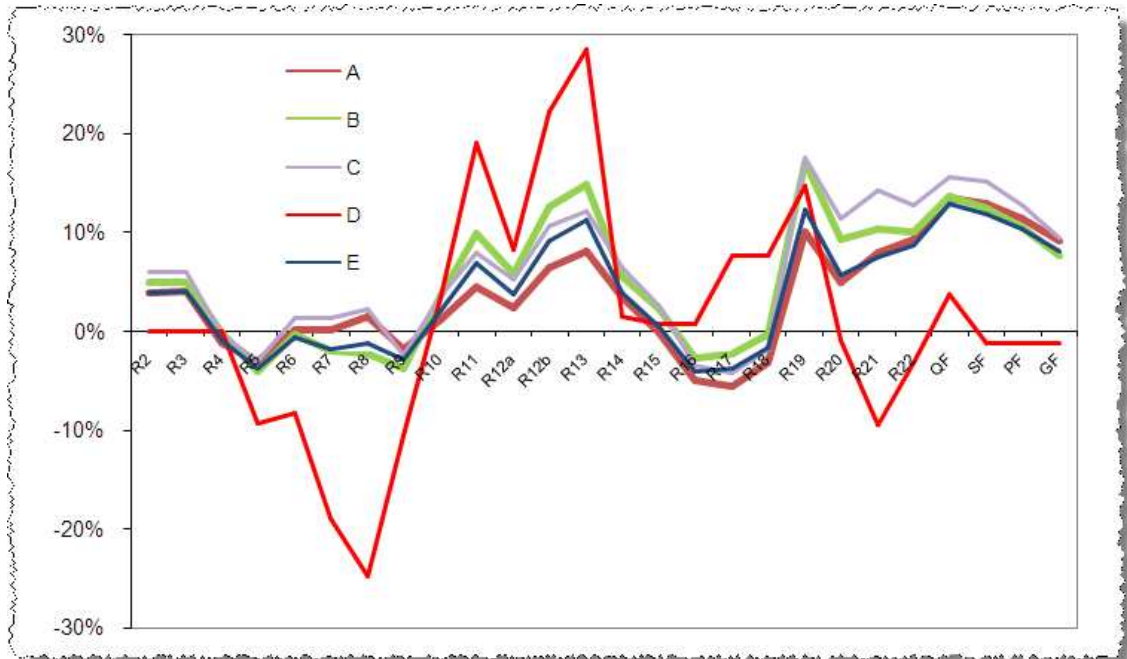
### Investor Returns

	<b>Bet*</b>	<b>Net Return*</b>	<b>ROI</b>
<b>Strategy A</b>	2.25%	(2.25%)	(100.00%)
<b>Strategy B</b>	2.81%	(2.81%)	(100.00%)
<b>Strategy C</b>	3.37%	(3.37%)	(100.00%)
<b>Strategy C+</b>	6.74%	(6.74%)	(100.00%)
<b>Strategy D</b>	0.00%	0.00%	-
<b>Strategy E</b>	2.25%	(2.25%)	(100.00%)

\*all bets and net returns are calculated as a percentage of Notional Initial Funds

- One big bet, one big loss.

This weekend's loss leaves many Investors roughly where they were at the end of the regular season, up by between 7½ and 9½% (Strategy D Investors excepted).



The final returns for Investors are summarised in the following table:

### Overall Fund Performance

	Heritage	Alpha	Beta	Line
Fund Return	+12.35%	+14.68%	+4.80%	(-1.17%)

Joined [Swapped]	Strategy	Heritage	Alpha	Beta	Line	Overall Return
(Percentage in each Fund)						
Pre-Season	A*	20%	35%	35%	10%	+9.17%
Pre-Season	B	25%	25%	25%	25%	+7.67%
Pre-Season	C	30%	30%	30%	10%	+9.43%
Pre-Season	D	0%	0%	0%	100%	(-1.17%)
Pre-Season	E	20%	30%	30%	20%	+8.08%
Round 6	A*	20%	35%	35%	10%	+12.66%
Pre-Season [Round 7 & 10]	A ▶ C ▶ A	20%	35%	35%	10%	+7.87%
Pre-Season [Round 13]	C ▶ C+	60%	10%	10%	20%	(-1.74%)

\* Recommended portfolio weightings

The closing prices for all four Funds are thus:

- Heritage Fund \$1.1235
- Alpha Fund \$1.1468
- Beta Fund \$1.0480
- Line Fund \$0.9883 (NB On Thursday I wrongly showed this as \$0.9983. I caught the error in my end-of-season audit on the weekend. Apologies to those affected).

In a remarkable coincidence, the final price of the Heritage Fund in 2006 (excluding the Special Stupidity Dividend) was \$1.1216.

Let's now take a look at the round-by-round performance of each Fund:

	Heritage		Alpha		Beta		Line		Weighted**	
	Bet %*	Ret %	Bet %*	Ret %	Bet %*	Ret %	Bet %*	Ret %	Bet %*	Ret %
R2	29.47%	19.90%							5.89%	3.98%
R3	15.47%	0.15%							3.09%	0.03%
R4	13.75%	(13.75%)			7.04%	(7.04%)			5.21%	(5.21%)
R5	23.24%	(8.32%)	2.70%	2.32%			38.96%	(9.35%)	9.49%	(1.79%)
R6	20.90%	12.39%			2.00%	1.60%	13.68%	1.08%	6.25%	3.15%
R7	1.95%	1.60%	2.50%	1.00%	2.50%	1.00%	10.62%	(10.62%)	3.20%	(0.04%)
R8	11.24%	(1.57%)	8.98%	6.76%			5.89%	(5.89%)	5.98%	1.46%
R9	16.66%	(16.66%)	2.30%	(2.30%)	1.74%	(1.74%)	30.04%	14.24%	7.75%	(3.32%)
R10	23.42%	25.76%			10.05%	(10.05%)	15.57%	14.01%	9.76%	3.04%
R11	17.52%	10.22%			0.88%	(0.88%)	33.21%	15.60%	7.13%	3.29%
R12a	5.41%	(5.41%)					10.76%	(10.76%)	2.16%	(2.16%)
R12b	7.46%	13.05%					15.57%	14.01%	3.05%	4.01%
R13					5.91%	3.25%	23.33%	6.22%	4.40%	1.76%
R14	10.33%	(10.33%)					27.06%	(27.06%)	4.77%	(4.77%)
R15	16.78%	(6.62%)			6.25%	(6.25%)	15.56%	(0.78%)	7.10%	(3.59%)
R16	13.56%	(13.56%)			6.00%	(6.00%)			4.81%	(4.81%)
R17	30.85%	(2.92%)			2.00%	(2.00%)	7.78%	7.00%	7.65%	(0.59%)
R18	22.72%	1.22%			5.25%	6.40%			6.38%	2.49%
R19	20.68%	62.55%					7.78%	7.00%	4.91%	13.21%
R20	10.93%	(12.49%)	3.58%	(3.09%)	4.38%	0.11%	15.56%	(15.56%)	6.53%	(5.10%)
R21	31.53%	3.39%	4.74%	9.00%			23.33%	(8.56%)	10.30%	2.97%
R22	36.03%	(21.41%)	5.00%	(5.00%)	13.24%	19.20%	23.33%	6.22%	15.92%	1.31%
QF/EF	17.85%	(5.79%)	8.33%	6.00%	10.28%	7.20%	7.78%	7.00%	10.86%	4.16%
SF							4.99%	(4.99%)	0.50%	(0.50%)
PF	7.82%	(7.82%)							1.56%	(1.56%)
GF	11.24%	(11.24%)							2.25%	(2.25%)
<b>Total</b>	<b>416.80%</b>	<b>12.35%</b>	<b>38.13%</b>	<b>14.68%</b>	<b>77.53%</b>	<b>4.80%</b>	<b>330.80%</b>	<b>(1.17%)</b>	<b>156.92%</b>	<b>9.17%</b>

\* as a percentage of Notional Initial Funds

\*\* based on Recommended Portfolio Weightings

As you can see, it was a pretty horrible finish to the season by the Heritage Fund. It dropped just over 46c from Round 22 onwards, due largely to the success of favourites in Round 22 (7 of 8), and during the Finals (6 of 9).

In contrast, Alpha and Beta took the value that was on offer in the first week of the Finals and then racked their cues for the remainder of the season. The Line Fund behaved similarly, although found itself unable to resist a nibble on West Coast with 6½ start in one of the semis, which was enough to drag it narrowly into deficit for the season.

All said, the net result of the Finals series for Strategy A Investors was a 0.04% loss.

Next, let's review the final team-by-team, Fund-by-Fund tables. First, consider the Heritage and Alpha Funds.

HERITAGE FUND							ALPHA FUND						
	Bets	Win	Loss	% Outlayed	ROI	% RONF		Bets	Win	Loss	% Outlayed	ROI	% RONF
Adelaide	2	2	0	11.6%	174.5%	20.2%	Adelaide	0	0	0	0.0%	0.0%	0.0%
Brisbane Lions	3	1	2	14.7%	(44.1%)	(5.7%)	Brisbane Lions	1	1	0	0.5%	2.5%	0.0%
Carlton	13	3	10	77.8%	(42.6%)	(31.4%)	Carlton	1	0	1	3.1%	(100.0%)	(3.1%)
Collingwood	5	3	2	28.1%	20.9%	6.9%	Collingwood	2	2	0	3.0%	50.5%	1.5%
Essendon	4	2	2	24.9%	7.8%	2.0%	Essendon	0	0	0	0.0%	0.0%	0.0%
Fremantle	2	0	2	4.7%	(100.0%)	(3.4%)	Fremantle	1	1	0	2.7%	86.0%	2.3%
Geelong	0	0	0	0.0%	0.0%	0.0%	Geelong	0	0	0	0.0%	0.0%	0.0%
Hawthorn	5	3	2	24.0%	58.2%	13.3%	Hawthorn	1	1	0	1.7%	120.0%	2.0%
Kangaroos	7	3	4	47.9%	(19.7%)	(9.8%)	Kangaroos	0	0	0	0.0%	0.0%	0.0%
Melbourne	6	2	4	35.1%	(7.3%)	(3.8%)	Melbourne	1	0	1	2.3%	(100.0%)	(2.3%)
Port Adelaide	2	1	1	14.2%	(51.0%)	(7.2%)	Port Adelaide	1	1	0	7.9%	70.0%	5.5%
Richmond	9	3	6	79.8%	68.3%	50.8%	Richmond	2	1	1	9.7%	41.1%	4.0%
St Kilda	3	1	2	13.9%	(26.5%)	(3.7%)	St Kilda	0	0	0	0.0%	0.0%	0.0%
Sydney	1	1	0	6.0%	145.0%	8.7%	Sydney	1	1	0	7.3%	65.0%	4.8%
West Coast	0	0	0	0.0%	0.0%	0.0%	West Coast	0	0	0	0.0%	0.0%	0.0%
Western Bulldogs	5	1	4	42.7%	(54.4%)	(23.2%)	Western Bulldogs	0	0	0	0.0%	0.0%	0.0%
<b>Total</b>	<b>67</b>	<b>26</b>	<b>41</b>	<b>425.3%</b>	<b>2.6%</b>	<b>12.4%</b>	<b>Total</b>	<b>11</b>	<b>8</b>	<b>3</b>	<b>38.1%</b>	<b>38.3%</b>	<b>14.7%</b>

For the Heritage Fund, Richmond, Adelaide, Hawthorn, Sydney and Collingwood finished as the major profit contributors, and Carlton, the Bulldogs, the Roos, Port and the Lions finished as the major RONF-destroyers.

Here's a comparison between the activity and performance levels that I said I expected from the Heritage Fund in the pre-season newsletter and what actually occurred:

<i>Item</i>	<i>Expected Result</i>	<i>Actual Result</i>
<b>Number of Bets</b>	65-70	67
<b>% of winning bets</b>	30-40%	39%
<b>Average Bet (% of NIF)</b>	5-6%	6.4%
<b>Return On Bets</b>	2%	2.6%
<b>Turn (times NIF)</b>	4.5	4.3
<b>RONF</b>	9%	12.4%

This is the first time I've looked at these numbers since way back in February. The level of agreement between the actual and expected results for the Heritage Fund is, frankly, quite spooky.

Moving next to the Alpha Fund, we find Port Adelaide, Sydney, Richmond, Fremantle, Hawthorn and Collingwood as the only contributors to profitability, and Carlton and Melbourne as the only unprofitable teams. None of the other seven teams were wagered upon by the Alpha Fund during the season.

For the Alpha Fund my pre-season expectations proved to be a little further from reality:

<i>Item</i>	<i>Expected Result</i>	<i>Actual Result</i>
<b>Number of Bets</b>	15-25	11
<b>% of winning bets</b>	60-70%	73%
<b>Average Bet (% of NIF)</b>	5-6%	3.5%
<b>Return On Bets</b>	1½%	38.3%
<b>Turn (times NIF)</b>	1.5	0.4
<b>RONF</b>	7%	14.7%

Still not too bad though.

When then of the Beta and Line Funds?

<b>BETA FUND</b>							<b>LINE FUND</b>						
	Bets	Win	Loss	% Outlayed	ROI	% RONF		Bets	Win	Loss	% Outlayed	ROI	% RONF
Adelaide	1	1	0	3.2%	148.0%	4.8%	Adelaide	1	1	0	7.8%	90.0%	7.0%
Brisbane Lions	3	2	1	8.1%	0.1%	(0.0%)	Brisbane Lions	1	0	1	7.0%	(100.0%)	(7.0%)
Carlton	0	0	0	0.0%	0.0%	0.0%	Carlton	6	3	3	41.8%	(7.7%)	(3.2%)
Collingwood	2	1	1	5.4%	(32.1%)	(1.9%)	Collingwood	4	3	1	29.2%	50.5%	15.1%
Essendon	1	1	0	5.9%	55.0%	3.3%	Essendon	4	1	3	23.6%	(37.1%)	(8.8%)
Fremantle	2	0	2	8.3%	(100.0%)	(8.3%)	Fremantle	4	0	4	29.2%	(100.0%)	(29.2%)
Geelong	0	0	0	0.0%	0.0%	0.0%	Geelong	0	0	0	0.0%	0.0%	0.0%
Hawthorn	1	1	0	2.0%	80.0%	1.6%	Hawthorn	3	1	2	23.3%	(35.1%)	(8.6%)
Kangaroos	0	0	0	0.0%	0.0%	0.0%	Kangaroos	3	3	0	23.3%	90.0%	21.0%
Melbourne	1	0	1	4.1%	(100.0%)	(4.1%)	Melbourne	5	4	1	38.9%	55.6%	20.2%
Port Adelaide	2	1	1	18.6%	(6.3%)	(1.1%)	Port Adelaide	0	0	0	0.0%	0.0%	0.0%
Richmond	1	0	1	6.0%	(100.0%)	(6.0%)	Richmond	5	4	1	38.9%	51.9%	20.2%
St Kilda	1	0	1	0.9%	(100.0%)	(0.9%)	St Kilda	3	1	2	21.5%	(28.1%)	(6.7%)
Sydney	2	1	1	15.0%	116.9%	17.5%	Sydney	1	1	0	5.6%	82.0%	4.6%
West Coast	0	0	0	0.0%	0.0%	0.0%	West Coast	3	1	2	18.4%	(19.6%)	(3.6%)
Western Bulldogs	0	0	0	0.0%	0.0%	0.0%	Western Bulldogs	3	0	3	22.3%	(100.0%)	(22.3%)
<b>Total</b>	<b>17</b>	<b>8</b>	<b>9</b>	<b>77.5%</b>	<b>7.3%</b>	<b>4.8%</b>	<b>Total</b>	<b>46</b>	<b>23</b>	<b>23</b>	<b>330.9%</b>	<b>(0.1%)</b>	<b>(1.2%)</b>

Major contributors to Beta Fund profitability this season were Sydney, Adelaide, Essendon and Hawthorn; losses were due to Fremantle, Richmond, Collingwood, Port Adelaide and St Kilda. Brisbane produced a breakeven result from 3 bets. The five remaining teams saw no Beta Fund action across the season.

My pre-season Beta Fund expectations were also quite different from reality:

<i>Item</i>	<i>Expected Result</i>	<i>Actual Result</i>
<b>Number of Bets</b>	15-25	17
<b>% of winning bets</b>	60-70%	47%
<b>Average Bet (% of NIF)</b>	5-6%	4.6%
<b>Return On Bets</b>	1½%	7.3%
<b>Turn (times NIF)</b>	1.5	0.8
<b>RONF</b>	7%	4.8%

For the Line Fund, profit came courtesy of the Roos, Melbourne, Richmond, Collingwood, Adelaide and Sydney; loss-makers were Fremantle, the Bulldogs, Essendon, Hawthorn, the Lions, St Kilda, Carlton and West Coast. No bets were placed on the 2 remaining teams (aka the Grand Finalists).

The results for the Line Fund are, by far, the furthest from my pre-season expectations:

<i>Item</i>	<i>Expected Result</i>	<i>Actual Result</i>
<b>Number of Bets</b>	60-65	46
<b>% of winning bets</b>	55-65%	50%
<b>Average Bet (% of NIF)</b>	7-8%	7.2%
<b>Return On Bets</b>	3%	-0.1%
<b>Turn (times NIF)</b>	4	3.3
<b>RONF</b>	12%	-1.2%

In summary, across the whole season:

- We made 141 bets - 65 winning bets and 76 losing bets – in exactly 100 games, meaning that we had a financial interest in 54% of games
- 20 of those bets were on Carlton (6 wins and 14 losses) and produced a -7.7% RONF for Strategy A Investors
- 17 of those bets were on Richmond (8 wins and 9 losses) and produced a 11.5% RONF for Strategy A Investors
- Adelaide was the only team on which we wagered and never lost. We had 4 successful bets on the Crows for a 6.4% RONF for Strategy A Investors
- The teams with which we had least success, as measured by proportion of successful wagers, were Fremantle (9 bets for 1 win and 8 losses) and the Bulldogs (8 bets for 1 win and 7 losses)
- We made 50 wagers on teams that finished in the Final 8, for 33 wins and 17 losses and a RONF of 22%
- We also made 91 wagers on teams that missed the Final 8, for 32 wins and 59 losses and a RONF of -13%

## Tipping Year in Review

Chi finished the year with a respectable 118½ from 185 (64%) . I was, I admit, hoping for something over 125, but it's still a performance that bettered many of Chi's two-legged, allegedly more cerebral and well-informed tipping brethren.

One of the aspects of his tipping that I've been particularly pleased with is what I call his 'calibration'. A well-calibrated tipster is one whose margin for a particular tip gives some indication of how confident we should be in that tip. The following table shows you how well-calibrated Chi's tips have been this season.

Tipped Margin	Chi	
	# Tips	% Correct
1-5 pts	58	60%
6-11 pts	65	62%
12-17 pts	38	66%
18 pts or more	24	77%
<b>Total</b>	<b>185</b>	<b>64%</b>

Next let's take a look at how Chi and BKB have fared on a team-by-team basis.

	Chi's Tips					BKB's Tips				
	Number Correct	Times Tipped	% Correct Tips	% of Wins Tipped	% of Losses Avoided	Number Correct	Times Tipped	% Correct Tips	% of Wins Tipped	% of Losses Avoided
Adelaide	7	16	44%	58%	18%	9	17	53%	75%	27%
Brisbane Lions	6.5	10	65%	65%	71%	6	9	67%	60%	75%
Carlton	2	4	50%	50%	89%	1	1	100%	25%	100%
Collingwood	10	14	71%	67%	60%	9	12	75%	60%	70%
Essendon	4	8	50%	40%	67%	4	8	50%	40%	67%
Fremantle	7	10	70%	70%	75%	8	11	73%	80%	75%
Geelong	17	20	85%	81%	25%	20	23	87%	95%	25%
Hawthorn	9	17	53%	64%	20%	7	13	54%	50%	40%
Kangaroos	6	9	67%	40%	70%	7	7	100%	47%	100%
Melbourne	2	5	40%	40%	82%	2	5	40%	40%	82%
Port Adelaide	10	13	77%	59%	63%	13	17	76%	76%	50%
Richmond	1.5	4	38%	43%	86%	0.5	1	50%	14%	97%
St Kilda	7.5	11	68%	65%	67%	5.5	10	55%	48%	57%
Sydney	9	14	64%	72%	52%	10.5	18	58%	84%	29%
West Coast	12	17	71%	80%	44%	13	19	68%	87%	33%
Western Bulldogs	8	13	62%	84%	60%	9	14	64%	95%	60%
<b>Total</b>	<b>118.5</b>	<b>185</b>	<b>64.1%</b>	<b>64.1%</b>	<b>64.1%</b>	<b>124.5</b>	<b>185</b>	<b>67.3%</b>	<b>67.3%</b>	<b>67.3%</b>

The last two columns shown for Chi and BKB are possibly a bit unintuitive, so let me explain them. The column headed *% of Wins Tipped* represents the proportion of the particular team's wins that were recorded when they were tipped by the tipster being analysed (with draws counting as half wins, half losses). So, for example, Chi tipped Adelaide 16 times, for 7 wins and 9 losses. Across the season, including the Finals, Adelaide recorded 12 wins and 11 losses, so Chi tipped 7 of Adelaide's 12 wins, or 58%.

The *% of Losses Avoided* is similarly defined and represents the proportion of the particular team's losses that were recorded when they were **not** tipped by the tipster being analysed (with draws again counting as half wins, half losses).

Using the same example for Chi, he tipped Adelaide for 9 of their 11 losses, and so avoided them for only 2 of 11 (18%). So, by tipping Adelaide quite frequently (in 16 of the 23 games they played), Chi managed to bag 7 of their 12 wins. But, in doing so, he also tipped 9 of their losses, which is virtually all of them. On balance then it seems reasonable to say he tipped Adelaide poorly.

In general, a good result for a tipster for a given team is that both the *% of Wins Tipped* and *% of Losses Avoided* statistics are high.

With that in mind, we can see that Chi did well this season with Fremantle and the Western Bulldogs, and relatively poorly with Adelaide, Hawthorn, Essendon and Geelong (since he tipped 3 of their 4 losses).

BKB (the bookies), did well with Fremantle, the Bulldogs and the Roos, and struggled in comparison with Hawthorn, Adelaide, St Kilda, Essendon, Sydney and Richmond.





# Appendix

## Notional Initial Funds

For reasons that are somewhat technical (I'm happy to provide details to anyone who's interested but, broadly, it allows me to describe bets in terms of a common percentage for all Investors and still maintain the same share price for all Investors), I need to calculate what I call "Notional Initial Funds". It's calculated separately for each Fund.

For original Investors, the definition is straightforward:

Notional Initial Funds = Actual Funds Invested

For Investors who join the Fund post Round 1:

Notional Initial Funds = Actual Funds Invested / Share Price at the time of investing

(in other words, it's the notional amount that would need to have been invested at the start of the season in order to have returned an amount equal to the amount actually invested).

30 September 2007